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FM AMEMBASSY YAOUNDE
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INFO RUEHZO/AFRICAN UNION COLLECTIVE PRIORITY
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RUEHFR/AMEMBASSY PARIS PRIORITY 1682
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C O N F I D E N T I A L SECTION 01 OF 03 YAOUNDE 001883

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E.O. 12958: DECL: 12/20/2016
TAGS: [KCOR](#) [ECON](#) [PGOV](#) [EFIN](#) [KMCA](#) [CM](#) [PINR](#)
SUBJECT: CAMEROON: CORRUPTION TRIAL EMBROILS FIRST LADY,
OFFERS CORRUPTION PRIMER

REF: A. 2005 YAOUNDE 2147

[B](#). YAOUNDE 285

[C](#). YAOUNDE 183

Classified By: Political Officer Tad Brown for reasons 1.4 (b) and (d).

[1](#). (C) Summary. Defense attorneys in the FEICOM corruption trial created tumult in the courtroom and a splash in the headlines when they demanded, on December 19, that the court hear testimony from First Lady Chantal Biya and other Cameroonian notables who feature prominently in the list of illegal cash disbursements. The Special Council Support Fund (French acronym FEICOM) was created to finance municipal investment projects, but according to prosecutors, former Managing Director Emmanuel Gerard Ondo Ndong and a dozen former employees fleeced the agency of more than \$102 million in illegal cash disbursements from 2001 to 2005. At this point in the trial, defense attorneys are determined to prove that their clients were carrying out orders from the Presidency, offering a rare look into the mechanics of corruption that pervades Cameroon. There is little reason to doubt the Presidency was at some level aware of FEICOM's evolution into an ATM for the politically connected, not least since the beneficiaries included Biya's hometown, political party and wife. End summary.

Putting the Fox in the Henhouse

[2](#). (SBU) The Special Council Support Fund (official name: Fonds Special d'Equipement et d'Intervention Intercommunal or FEICOM) was created in 1977 to finance municipal projects around Cameroon. By many accounts, FEICOM was relatively functional until President Biya appointed Emmanuel Gerard Ondo Ndong in 1999. With no significant financial, business, or management experience, Ondo Ngong was perceived as a political lackey appointed for his personal loyalty to President Biya and his seniority as a traditional leader among Biya's Beti ethnic group (Ref B).

Sacrificial Lamb on the
Altar of Debt Forgiveness

[3](#). (SBU) Although removed from his position on November 12, 2005 (Ref A), Ondo Ndong remained free until he was arrested, along with dozens of others, on February 21, 2006 (Ref B), three days before the arrival of an IMF Mission. The

Cameroonian press has attributed these arrests to the Government of Cameroon's campaign for debt relief under the HIPC process and the pressure generated by Ambassador Marquardt's public demands for progress in the war against corruption (Ref C), a link that is confirmed in discussions with our Cameroonian contacts. Cameroon regularly ranks as one of the most corrupt countries in the world. From among a bevy of corrupt government officials, Ondo Ndong was likely singled out for prosecution because FEICOM had already undergone a sweeping audit at the demand of the French development agency (reftels). The French also had an important if less public role in outing Ondo Ndong, after an audit they financed revealed the extent of his misdeeds.

Anatomy of Corruption: How To Loot Millions

14. (SBU) Post has obtained copies of the audit and other documents presented in court against Ondo Ndong and the other defendants. These hefty tomes reveal that Ondo Ndong and his colleagues enjoyed a veritable buffet of embezzlement, enriching themselves by, inter alia:

- issuing themselves periodic bonuses (for Ondo Ndong, upwards of \$320,000);
- forging documents to appropriate FEICOM vehicles (including Lexuses, Peugeots, and Land Cruisers);
- pocketing millions of dollars in travel expenses for "visits to the field" that never took place;
- paying personal expenses from FEICOM funds; and
- skimming personal cuts from FEICOM contracts and expenses paid in cash.

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Even Corruption Needs Paperwork

15. (U) Whether for extralegal bonuses or fictitious field trips, FEICOM officials dutifully completed paperwork, replete with official-sounding purposes, to ensure proper bookkeeping. We know from the documents that FEICOM boasted a fleet of vehicles (everything from transport trucks to Lexuses), and yet Ondo Ndong signed fictitious travel vouchers that consistently included charges for rental vehicles (sometimes as much as \$400 per day for a 4x4) and gasoline (\$200 per day per car). Rather than pay FEICOM contractors by check, Ondo Ndong would write a check for a subordinate to cash, thereby obscuring any discrepancies between the sums withdrawn and the amounts received by the contractor. In one example, FEICOM paid \$408,000 for the construction of a stadium in Mvomek'a (Biya's hometown), disbursed in a check of \$200,000 and a cash withdrawal of \$208,000. The investigation revealed that the company received the payment by check, but that the cash payment of \$208,000 never reached the company.

Corruption: More than Swiss Bank Accounts

16. (SBU) One marvels at the various motivations and methods involved in looting FEICOM, illustrating that official corruption is a multifaceted phenomenon. Some of the purported line items are downright bizarre: \$50,000 for Christmas tree ornaments; \$12,000 towards the funeral for the wife of famed soccer player Roger Milla; \$1,000 to produce a cassette of religious music. At times it was personal enrichment, as when Ondo Ndong forged documents to steal FEICOM vehicles. At other times, FEICOM's accounts were treated like a benevolent fund, disbursing \$22,000 in extralegal payments for the medical evacuation of an employee, \$2,000 for a food drive, or \$20,000 to the American School in tuition for a FEICOM employee. Often, Ondo Ndong

was called upon to fund nationalistic activities: in April 2003, Ondo Ndong signed over \$240,000 for the organization of the 30th anniversary of the May 20th National Day. The Presbyterian Church in Yaounde received \$20,000 to fund the commemoration of the 77th anniversary of the national hymn. In November 2001, FEICOM provided \$8,000 to Miss Gisele Biwoni to represent Cameroon in Miss Malaika 2001, a beauty pageant in South Africa.

Follow the Money All the Way to the Top

¶7. (C) Significantly, the FEICOM records enumerate payments to support the election campaign of President Biya and other partisan purposes. Shortly before the 2004 Presidential elections, a \$10,000 payment was made in the name of "FEICOM contribution to the Presidential Campaign." The most sensitive portions of the report are those payments that are directly linked to First Lady Chantal Biya through her Foundation. In just four payments in 2001, FEICOM disbursed more than \$300,000 to the First Lady's HIV/AIDS Foundation. In hearings on December 19, attorneys for Ondo Ndong and the other defendants have lambasted the prosecutor for side-stepping these and other politically sensitive cases and demanded that Chantal Biya be called as a witness.

Comment: Even a Show Trial Can Be Revealing

¶8. (C) Many Cameroonians remain skeptical that the FEICOM case will amount to anything more than a show trial to appease the international community. They are confident that Ondo Ndong will be found guilty and sentenced to a lenient jail term (perhaps one year) in return for not telling all he knows about the destination of the pilfered funds. They may be correct. Despite the muck-raking efforts of some journalists and defense attorneys, Biya and his coterie have too much to lose in a full disclosure of the facts and the judiciary's limited independence will be no match for this challenge. While speaking of corruption is no longer the taboo it once was here, this case illustrates the limits of free expression about it.

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¶9. (C) Cameroonian officials are afraid to take any significant action without approval from the Presidency and it is unlikely that such large sums of money would have sloshed around the country without implicit approval from Unity Palace. Nevertheless, Biya's personal complicity is difficult to gauge because we do not know how much his coterie insulates him from Cameroon's day-to-day realities. It is disheartening to be faced with such stark evidence that corruption has been the norm, not the hidden exception, governing Cameroon. We will continue to keep the pressure on the Government and encourage civil society in hopes that real, lasting gains might be made. And, if nothing else, we will take advantage of this postmortem to better understand how corruption works and, thereby, how best to tailor efforts to fight it. End Comment.

MARQUARDT